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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/632,149	07/30/2003	David R. Fitzpatrick	102636.57988US	1871
23911 7590 12/28/2007 CROWELL & MORING LLP INTELLECTUAL PROPERTY GROUP P.O. BOX 14300 WASHINGTON, DC 20044-4300			EXAMINER LIU, I JUNG	
			ART UNIT 3694	PAPER NUMBER
			MAIL DATE 12/28/2007	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

## Office Action Summary

**Application No.**

10/632,149

**Applicant(s)**

FITZPATRICK ET AL.

**Examiner**

Marissa Liu

**Art Unit**

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 17 October 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-9 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-9 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

### **DETAILED ACTION**

1. This action is in response to a reply submitted 10/17/2007. Claims 1-9 are presented for examination. Claims 7-9 are newly added. After careful consideration of Applicant's arguments and amendments, the rejection of claims 1-7 are maintained as set forth in detail below.

#### ***Claim Rejections - 35 USC § 102***

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

2. Claims 1-6 are rejected under 35 U.S.C. 102(a) as being unpatentable by Finkelstein et al., US Pub. No.: 2001/0037284 A1 (PTO 892 form A).

3. As per claim 1, Finkelstein et al. teaches a system for managing collateral allocation and substitution in general collateral repurchase agreements, comprising:

a plurality of trader terminals (abstract);

an intermediary computer system adapted to (¶ 0102; ¶ 0106-0109):

communicate with each trader terminal via one or more communication links

(Figs. 1-2; abstract); facilitate agreements between buyers and sellers for sale of collateral

(¶ 0005; ¶ 0057; ¶ 0073);

receive allocation instructions for an agreement from a seller trading terminal

(Figs. 3-4; abstract); store information regarding collateral that has been allocated and

mark said collateral as allocated (Fig. 3-4);

receive substitution instructions from a seller trading terminal to substitute allocated collateral, wherein (§ 0021; § 0073-0074; claims 14-15 and 17-18):

if there is one buyer who is allocated the exact amount of collateral that the seller wishes to substitute, that buyer is substituted (§ 0073-0074; claim 18);

otherwise, if there is one buyer who is allocated a higher amount of the collateral that the seller wishes to substitute, and that amount is sufficient for the substitution, that one buyer is substituted (§ 0073-0074; claim 18); and

otherwise, buyers have their collateral substituted on the basis of a priority determination (§ 0021; § 0073-0074; claim 18).

1. As per claim 2, Finkelstein et al. teaches the system of claim 1 described above. Finkelstein et al. further teaches wherein only buyers with allocated collateral having equal rights of substitution to collateral allocated by the seller are eligible for the substitution (§ 0021; § 0073-0074; claim 18).
2. As per claim 3, Finkelstein et al. teaches the system of claim 1 described above. Finkelstein et al. further teaches wherein the priority determination is a time priority determination (§ 0021).
3. As per claim 4, Finkelstein et al. teaches the system of claim 1 described above. Finkelstein et al. further teaches wherein at least one of the communication links is established via a virtual private network (§ 0081; § 0102-0105).
4. As per claim 5, Finkelstein et al. teaches the system of claim 1 described above. Finkelstein et al. further teaches wherein at least one of the communication links is established via a private line (§ 0081; § 0102-0105).

5. As per claim 6, Finkelstein et al. teaches the system of claim 1 described above.

Finkelstein et al. further teaches wherein at least one of the communication links is established via the Internet (§ 0103).

6. As per claim 7, Finkelstein et al. teaches a method for managing collateral allocation and substitution in general collateral repurchase agreements, comprising: receiving allocation instructions for an agreement from a seller trading terminal (Figs. 3-4; abstract); storing information regarding collateral that has been allocated and mark said collateral as allocated (Fig. 3-4); receiving substitution instructions from a seller trading terminal to substitute allocated collateral, wherein (§ 0021; § 0073-0074; claims 14-15 and 17-18):

when there is one buyer who is allocated the exact amount of collateral that the seller wishes to substitute, that buyer is substituted (§ 0073-0074; claim 18);

when there is no one buyer who is allocated the exact amount of the collateral that the seller wishes to substitute but there is one buyer who is allocated a higher amount of the collateral that the seller wishes to substitute, and that amount is sufficient for the substitution, that one buyer is substituted (§ 0073-0074; claim 18); and

when there is non one buyer who is allocated the exact amount of the collateral that the seller wishes to substitute, there is no one buyer who is allocated a higher amount of the collateral that the seller wishes to substitute, buyers have their collateral substituted on the basis of a priority determination (§ 0021; § 0073-0074; claim 18).

7. As per claim 8, Finkelstein et al. teaches the system of claim 7 described above.

Finkelstein et al. further teaches wherein only buyers with allocated collateral having equal rights

of substitution to collateral allocated by the seller are eligible for the substitution (§ 0021; § 0073-0074; claim 18).

8. As per claim 9, Finkelstein et al. teaches the system of claim 7 described above. Finkelstein et al. further teaches wherein the priority determination is a time priority determination (§ 0021).

### *Response to Arguments*

9. Applicant's arguments filed 10/17/2007 have been fully considered but they are not persuasive.

10. As per claim 1, the Applicant argues that Finkelstein does not teach “an intermediary computer system adapted to”. The Examiner disagrees. Finkelstein discloses the central computer 11 is connected to the remote terminals 101 and 102 through a communication network 1 (§ 0102; § 0106-0109). Therefore, Finkelstein discloses the claimed limitation. The Applicant further argues that Finkelstein does not teach “receive substitution instructions from a seller trading terminal to substitute allocated collateral”. The Examiner disagrees. Franklin teaches the essential variable terms of agreement between the buyer and seller in a repurchase agreement are the collateral class ...the rate, term, right of substitution (ROS), margin, collateral, collateral type and pieces are each provided as a drop down or counter box, with predefined valid selections available by way of manipulation of the graphic user interface elements (§ 0021; 0073-0074) and a record is communicated between at least two user terminals comprising particulars of a proposed repurchase agreement, comprising an amount, a rate, a term, and the identification of collateral wherein the identification of collateral comprises an issuer and a maturity range wherein the identification of the collateral further comprises a number of instruments

representing the amount, and the record further identifies a disposition of collateral and a right of collateral substitution (claims 14-18). Therefore, Finkelstein discloses the claimed limitation.

11. In response to applicant's arguments, the recitation a system for substituting has not been given patentable weight because the recitation occurs in the preamble. A preamble is generally not accorded any patentable weight where it merely recites the purpose of a process or the intended use of a structure, and where the body of the claim does not depend on the preamble for completeness but, instead, the process steps or structural limitations are able to stand alone. See *In re Hirao*, 535 F.2d 67, 190 USPQ 15 (CCPA 1976) and *Kropa v. Robie*, 187 F.2d 150, 152, 88 USPQ 478, 481 (CCPA 1951).

#### *Conclusion*

12. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Marissa Liu whose telephone number is 571-270-1370. The examiner can normally be reached on IFP.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on 571-272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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ELLA COLBERT  
PRIMARY EXAMINER